

# WTO Trade Policy Review of Moldova: UK Statement

Chair, let me join others in welcoming State Secretary, Vadim Gumene, from the Ministry of Economy, to this Trade Policy Review and pay tribute to Moldova's excellent Ambassador Tatiana Molcean, who seems so omnipresent in this city that I wonder if she has an identical twin sister. Buna dimineata! [Good morning!]

Let me echo others' thanks to the Government of Moldova and to colleagues from the WTO Secretariat for producing their respective reports. And let me also thank our Discussant, the Ambassador of Thailand, for ably facilitating this review and for her reflections. From the outset, let me recognise, as Ambassador Filipenko of Ukraine has so eloquently done, Moldova's extraordinary efforts to support Ukraine during the course of Putin's aggression. Picking up the comments from the representative of the Russian Federation, it's time for President Putin to respect the rules and procedures of international law and withdraw his troops from the sovereign territory of Ukraine and put an end to the crimes against humanity being perpetrated against the people of Ukraine.

Let me too recognise some of the extraordinary measures which Moldova has taken. It has welcomed, and continues to welcome, hundreds of thousands of Ukrainians that have crossed the border, more per head of population than any other country in the world – the vast majority of whom are women, children and the elderly. What generosity. What solidarity. In energy, Moldova has – alongside Ukraine – integrated into the regional-international electricity grid. It is also working on a joint crisis management platform. And yet, despite the enormous challenges it faces, Moldova is still committed to fulfilling its WTO obligations. This is evidenced by Moldova's efforts here today and the significant strides it has made since its first review. It reflects Moldova's strong support for this Organization and for the Rules-Based Multilateral Trading System, both inside and outside of this house.

Turning to our bilateral relationship, I am pleased to report that during this review period, the United Kingdom and Moldova signed a Strategic Partnership, Trade & Cooperation Agreement, which entered into force in 2021. This agreement has considerably strengthened our trading relationship. In 2021, total trade in Goods and Services between the UK and Moldova was £1.2 billion. That's an increase of over 30% from 2020. Like the UK, Moldova enjoys a strong services sector, which attracted the largest share of inward FDI stock, led by financial and insurance activities. Our agreement also sets out the UK and Moldova's ambitions for our future relationship including the strengthening of our political, economic, security and cultural ties. From a commercial perspective, several large UK companies are already established in Moldova, including in the pharmaceutical sector. The British Embassy in Chişinău has also supported a number of projects to promote the development of the Moldovan private sector, including the manufacturing of luxury British clothing brands in Moldova. Turning to the Reports produced for this review,

the UK would like to thank Moldova for its helpful responses to our advanced questions. For transparency, the UK had asked for clarifications regarding Moldova's regulatory framework, national development strategy, IP enforcement mechanisms, and agricultural sector reforms.

Chair, the United Kingdom warmly welcomes the broad range of reforms that Moldova has implemented over the last five years. These reforms have been crucial for businesses in both our countries. For example, authorities have reduced the number of activities subject to licensing, and where licensing is required, this is now generally done electronically. Moldova has also helpfully reduced the number of inspection bodies and inspections, with a view to lowering regulatory costs for businesses while increasing the efficiency of controls. These measures provide an attractive environment to facilitate greater levels of investment. The UK also welcomes the active role that Moldova plays in discussions and reform initiatives here within the WTO. Specifically, let me commend Moldova's accession to the GPA in 2016 and its participation in a number of Joint Initiatives which are delivering for businesses and consumers around the world, including the Services Domestic Regulation and e-commerce.

In conclusion, the United Kingdom welcomes the progress that Moldova has made since its first review. Moldova's reforms have resulted in a more open and more liberal economy which welcomes and values foreign participation, and which champions the values of the Rules-Based Multilateral Trading System. The UK welcomes Moldova's intent to build on these developments and looks forward to continuing our close relationship, as proactive, progressive and outward-facing partners. We wish our Moldovan friends and partners a fruitful second Trade Policy Review.

Thank you.

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## [1.2 million low earners to see boost in take-home pay](#)

- 1.2 million low earners to see a boost to their take-home pay from 2025
- To make it easier for people to sponsor refugees under the Homes for Ukraine scheme, payments made will be tax-free and corporate landlords will have some of their tax bills waived
- Consultation published on Digitalising Business Rates to help deliver a more responsive system to better target reliefs in the future, part of the government's Business Rates Review

Around 1.2 million low earners will receive top-ups to their take-home pay from 2025 which could be worth hundreds of pounds a year.

Today the government has published legislation confirming that low earners who save through a Net Pay Arrangement (NPA) will get the same level of government top-up as those who use Relief at Source schemes.

For NPAs, pension contributions are deducted before income tax is calculated, whereas with Relief at Source it is after.

1.2 million people are eligible for this pay boost – with 200,000 set to see a £100 increase in their take-home pay. The average beneficiary will receive an extra £53 a year.

75% of those to benefit are women, whilst 11% are based in the North-West and Merseyside and 12% are in London.

**Financial Secretary to the Treasury Lucy Frazer said:**

A quirk in our pensions tax system has meant that over a million low-earners have lost out on government top-ups to their pensions, resulting in comparatively less take home pay.

We are correcting this injustice so low earners will get the same level of government support, no matter what type of pension they use.

Since 2015, people saving through a Net Pay Arrangement (NPA) have had less take home pay compared to similar earning savers who use a Relief at Source scheme. This is because those using the latter type of pension scheme receive a 20% top-up from the government on their savings, whilst those using NPAs receive tax relief at their marginal rate – 0%.

Today the government has published legislation confirming that it has rectified this anomaly, as low earning pension savers will receive similar top-ups regardless of what pension scheme they are using. Beneficiaries will receive their top-ups directly into their bank accounts from 2025 and HMRC will be notifying those who are eligible then. The government has pledged to deliver these changes in full and on time and will ensure the complex nature of these IT changes are ready to deliver this wide-impacting change.

The announcement comes as a number of documents are published by the government today, including draft legislation for the Finance Bill 2022-23 for technical consultation.

As part of this, the government is making it easier for people to get involved with the Homes for Ukraine scheme. The government confirmed today that the £350 payments made by Local Authorities to sponsors under the Homes for Ukraine scheme will be exempt from income tax and corporation tax. The government has also confirmed that corporate landlords will not face any unfair obstacles or immediate tax burdens if they choose to make their homes

available for refugees fleeing Putin's war in Ukraine.

Under usual rules, companies who do not use their residential properties for a commercial reason can face the Annual Tax on Enveloped Dwellings (ATED) or a 15% rate of Stamp Duty Land Tax (SDLT).

Draft legislation published today confirms that company-owned properties made available to refugees under the Homes for Ukraine scheme will receive full tax relief from ATED and the 15% SDLT rate – potentially saving £3800 on a property worth between £500,000 and £1 million.

The government has also published its plans for how it will translate the Pillar Two global tax reforms into domestic law. These rules are set to apply from 31 December 2023 and follow the historic two-pillared OECD agreement of 137 countries to address the tax challenges that arise from the global digital economy. Pillar Two means large multinationals will be subject to a minimum 15% rate of tax on profit in each country they operate in, whilst Pillar One ensures they pay their fair share of tax in the countries where they do business.

Also as part of today's announcements, the government has published draft legislation to:

- Introduce a package of Air Passenger Duty (APD) reforms to bolster air connectivity within the Union, through a 50% cut in domestic APD (benefiting 9 million passengers), and further aligning APD with our environmental objectives by adding a new ultra-long haul distance band, as announced at Autumn Budget 2021.
- Amend the qualifying Research and Development (R&D) expenditure to include data and cloud costs, to refocus the reliefs towards innovation in the UK, and to implement measures to improve compliance, as announced at Autumn Budget 2021.
- Make the Capital Gains Tax (CGT) process easier for separating and divorcing couples, who currently only have until the end of each tax year to agree and transfer their assets before facing a potential CGT charge, which can leave those separating towards the end of the year with very little time available to arrange their financial affairs. New legislation will mean that they have three full tax years, effective from April 2023. This follows a recommendation from the Office of Tax Simplification.

A consultation on Digitalising Business Rates (DBR) has also been published, seeking views on proposals to link business rates data held by billing authorities with tax data held by HMRC, to create opportunities to better target business rates policy, including reliefs, in the future by having access to more comprehensive data. This is part of the government's Business Rates Review, which concluded at Autumn Budget 2021 and included

further reforms to deliver more frequent revaluations, freezing the multiplier in 2022-23 to put the brakes on rate increases, and 50% business rates relief for retail, hospitality and leisure firms.

### **Further information**

- For a full list of announcements from today's Legislation Day please see the Written Ministerial Statement [here](#)
- The 200,000 people eligible for a top-up of £100 or more is based on the total number of people in the UK who contribute at least £500 every year into their Net Pay Arrangement pension but have no tax relief on that contribution.
- For average tax savings as a result of Homes for Ukraine ATED and 15% SDLT tax relief see here: [Annual Tax on Enveloped Dwellings](#)
- Read the [conclusion to the government's Business Rates Review](#)
- Read the [OECD's model rules](#)
- The government is committed, where possible, to publishing most tax legislation in draft for technical consultation before the relevant Finance Bill is introduced into Parliament. This allows for transparent scrutiny of tax measures, giving greater certainty and stability to taxpayers.
- The government announced its intention to legislate for the Homes for Ukraine tax-related measures in a WMS on 31 March. Today the government has confirmed this in draft legislation. [Read March's WMS](#)

### **Worked example on pension top-ups**

Alex and Sam are two employees who earn below the personal allowance. Alex is a member of a pension scheme using net pay arrangements and Sam is a member of a pension scheme using RAS.

Both want £500 to go into their scheme.

Alex (NPA) has the full £500 contribution deducted before the tax rules are applied to her earnings. She does not have to use any of her personal allowances in order to pay her pension contributions out of untaxed income. Once her pension contribution is deducted the rest of her earnings are taxed but there is no tax to pay. All of the £500 deducted from her earnings goes to the pension scheme.

Sam (RAS) has no tax to pay on her earnings as they are below the personal allowance. The equivalent contribution is paid to her pension scheme as if she had had basic rate tax at 20% deducted from the full £500 contribution. Out of £500 of earnings, £400 is paid to Sam's RAS pension scheme as a contribution. Although no tax is paid to HMRC, the RAS pension provider is still entitled to claim £100 in tax relief from HMRC so Sam will have £500 in her scheme.

Both Alex and Sam have £500 in their pension scheme. As in the previous example, Alex has had £500 deducted from her earnings but in this case Sam has had only £400 deducted from her earnings. Sam has more money in her pay packet but she has used up more of her personal allowance to make

contributions out of her untaxed earnings.

### **Impact of the Low Earners Top-Up Policy**

From 2025, Alex would be eligible for a top-up of £100 to be paid into her bank account. Alex will receive a letter from HMRC notifying her of eligibility and will need to provide her bank account details to HMRC to allow HMRC to make the payment. In future years, HMRC should be able to make the payment without Alex needing to supply details.

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## **New strategy outlines UKAEA's commitment to delivering fusion research sustainably**

Its key sustainability goals are designed to protect and enhance the environment while supporting the UK's target of reaching net zero greenhouse gas emissions by 2050.

UKAEA, which leads the development of sustainable fusion energy, has committed to design and construct new buildings completed after January 1, 2023, with a strong focus on sustainability by achieving a BREEAM Excellent design rating and net zero operational carbon emissions.

As part of the new strategy, published today for the first time alongside the [full annual report and accounts for 2021/22](#), UKAEA has also vowed to improve and upgrade the energy performance of the existing estate and promote sustainability in its supply chain to ensure broader environmental benefits.

Silvia Rapa, UKAEA Environment and Sustainability Manager, said:

“Fusion promises to be an important part of future low carbon energy production and the UK is proud to be a global leader in developing this transformative technology.

“Until fusion is realised, and as conventional renewable energy sources struggle to keep pace with a growing demand, we need to ensure we are doing all we can to operate as responsibly as possible. This strategy gives us strong direction, and outlines our commitment to delivering world class research in an energy efficient manner to minimise the impact we have on our environment and to support and enhance the wider government net zero targets.”

UKAEA has developed clear objectives to help achieve its three primary sustainability goals.

New buildings completed after 1 January 2023:

Existing buildings monitored and upgraded:

- Gas energy supply transitioned to electric
- Solar PV panels and hot water systems
- Facade and roof refurbishments for insulation
- Metering and energy monitoring
- Develop long-term decarbonisation plan

Environmental focus to procurement process:

Fusion energy has great potential to deliver safe, sustainable, low carbon energy for generations to come. It has been described as the ultimate energy source, based on the same processes that power the sun and stars.

Running fusion experiments is a highly energy-intensive activity and represents a short-term emissions cost as an investment in a much longer-term sustainable future. For this reason, UKAEA is exempt from the standard Greening Government Commitments operational targets and fusion related emissions are excluded from sustainability targets so as not to impact the development of fusion technology.

Visit [www.gov.uk/government/publications/ukaea-sustainability-strategy](http://www.gov.uk/government/publications/ukaea-sustainability-strategy) for the full UKAEA sustainability strategy.

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## [Don't pick a pike in the Broads this summer](#)

Press release

The Environment Agency is working with partners to urge the protection of pike in the Broads during the warm weather period.



Anglers are being advised not to fish for pike in the Norfolk and Suffolk

Broads until 1 October.

The [Environment Agency](#) is working with the Pike Anglers' Club of Great Britain, Norwich and District Pike Club, the Broads Angling Services Group and others. Joint advice and guidance for the Broads and local angling tourism associated with the Broads' holiday industry has been worked on in collaboration.

The area's shallow waters can be warm in the summer months, leading to problems for the iconic and popular pike. Coupled with large numbers of holiday makers visiting the area to go fishing, this means pike are often under increased pressure in summer months.

Continued hot weather can cause problems in rivers, lakes and drains. These include low oxygen levels, low river flows, elevated water temperatures and algal blooms. This can in turn lead to increased levels of stress on fish populations and even fish deaths. When water temperature reaches 21°C, pike are particularly susceptible to heat related stress. The capture and release of them during fishing can also lead to further stress and pike fatalities.

Kirk Markham, fisheries technical specialist at the Environment Agency in East Anglia, said:

This is a precautionary measure for local pike conservation based on data from our monitoring programme and our understanding of water temperatures in the Norfolk and Suffolk Broads.

Everyone from boat hire companies and fishing tackle shops to the general public can help communicate this. You can also help us by reporting signs of distressed fish, pollution and other environmental incidents or concerns to our free incident hotline number, 0800 80 70 60.

Published 20 July 2022

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## **Heat Wave Response – Oral Statement**

Mr Speaker, I would like to make a statement on this week's heatwave.

Coningsby, in Lincolnshire, broke records yesterday when it registered a provisional reading of 40.3 degrees Celsius.

According to the Met Office, no fewer than 34 locations around the United Kingdom exceeded the country's previous highest temperature of 37.8 Celsius, set in 2019.



We have seen a collective national endeavour to prepare for and manage the effects of the heat – from town hall to Whitehall and across various industries, to keep people safe and infrastructure functioning.

From water companies and rail engineers to public servants right across the land, everyone has pulled together – with members of the public responding in a way that was responsible, and took the pressure off vital public services.

Our national resolve has been exemplified by our Fire & Rescue Services – for many of whom, yesterday was their busiest day since World War 2. They were undoubtedly stretched but coped magnificently and the systems put in place to make sure that the fire service can operate on a national basis as well as locally worked well.

In tinderbox conditions they have dealt with dozens of wildfires around the country over the past 24 hours. Fifteen Fire & Rescue Services declared Major Incidents and handled emergency calls the length and breadth of the country.

Sadly, at least 41 properties have been destroyed in London, 14 in Norfolk, five in Lincolnshire, and smaller numbers elsewhere. On behalf of the Prime Minister and the Cabinet, I would like to pass on our sincere condolences to those who have lost their homes or business premises and I know my Right Honourable friend the Secretary of State is working closely with local authorities on this.

Throughout recent days, the Prime Minister has monitored our work and has been specifically briefed on a number of occasions – we did so again this morning. The Prime Minister was briefed during the wildfires by Mark Hardingham, Chair of the National Fire Chiefs Council, and the Civil Contingencies Secretariat; and he has passed on his thanks to all the brave firefighters who have sought to control the flames in such debilitating conditions.

I would also like to pay tribute to the fire control staff, officers and support teams for their essential work; and the other agencies that have made such tremendous efforts in recent days – the NHS, our emergency call handlers, Police and Maritime & Coastguard Agency among many others.

Honourable Members will be relieved to know that some pressure on services will ease now that the fiercest heat has subsided. Many incidents are now being scaled back.

Thunderstorms are likely this afternoon but for much of the country, more clement dry conditions are the pattern in coming days. The Met Office, however, stresses that the summer is likely to bring further hot weather and wildfire risk will remain elevated.

That is why we are treating this heatwave as an exacting test of our national resilience and contingency planning.

As always, there is no room for complacency.

Mr Speaker, we have seen what you can achieve when you prepare properly and then work closely together.

Owing to the technical expertise of the weather forecasters, who predicted with admirable precision the peak of the heatwave and how high the temperatures would be, the Government was able to launch an advance campaign of comprehensive public advice.

And our early data shows how, well before the heatwave arrived, people were taking on board this advice from the UK Health Security Agency, the NHS, the chief and deputy chief medical officer, emergency services, and key agencies on the ground.

And because of our established local networks and colleagues in the Devolved Administrations, we had people spread across the UK ready to step in when it mattered.

I am particularly grateful to the cooperation and support we received from the Scottish Government, Welsh Government and Northern Ireland Executive. We need to manage these national events together.

Mr Speaker, I would like now to give some examples of how people taking the right action helped to mitigate the effects of the extreme weather.

Starting with heeding advice: fully five times as many people accessed NHS England internet pages on how to manage the symptoms of heat exhaustion, in the critical week beginning July 11.

Moving on to our vital 999 call services, we had feared that they would come under untold pressure. Yet as the mercury climbed inexorably on July 18, fewer 999 calls were made than the week before; and more 111 calls – again suggesting the public had heeded the advice, this time to avoid using 999 unless in emergencies.

On to travel, and once again people were playing for the team. The public stayed at home to avoid the heat, not venturing far. The data bears this out: on Monday, footfall at major London stations was around 35% of normal post-pandemic levels. Yesterday [TUES], Network Rail reports, passenger train numbers were around 40% down on the previous week.

We did not forget those who cannot easily leave their homes, asking people to look out for elderly and vulnerable family members and neighbours.

Tragically however, 13 people are believed to have lost their lives after getting into difficulty in rivers, reservoirs and lakes while swimming in recent days – seven of them teenage boys. I would like to pass on our sincere condolences to the families of the victims for their terrible loss.

Of course we still have to work through the longer-term consequences of the heatwave.

The true picture will not come until all incidents are analysed, all emergency teams are debriefed, and all incident logs and data reconciled.

There is a great deal of data yet to come in from colleagues in the devolved administrations, and from the local authorities and agencies around the country.

We do recognise that we are likely to experience more of these incidents: and that we should not underestimate their speed, scope and severity.

Britain may be unaccustomed to such high temperatures but the UK, along with our European neighbours, must learn to live with extreme events such as these.

The Government has been at the forefront of international efforts to reach Net Zero, but the impacts of climate change are with us now. This is why we have a National Adaptation Programme under the leadership of the Environment Department.

As we have seen in recent days, we will continue to face acute events driven by climate change. It is the responsibility of Cabinet Office Ministers to coordinate work across Government when these events take place.

This government will continue to build our collective resilience. To this end, the National Resilience Strategy about which I was asked about on Monday, will be launched at the earliest possible opportunity by the incoming administration.

In the meantime, I will continue to coordinate work of teams across government in building resilience, to make sure the country is ready to meet the challenges of the autumn, the winter and beyond – and it is in that spirit that I commend this Statement to the House.